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AUTHOR Jones, Thomas H.
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ABSTRACT

The guiding idea behind regional educational arrangements has changed from regulating and controlling the activities of local school districts to providing specialized services that local districts could not undertake on their own. This change has implications for finance that center on the method of finance flow--whether funds come from local school districts' own tax sources, regional taxing, higher levels of government (federal or state), or categorical grants from the state through the local district. Financing models are developed that take into consideration the four sources of funding and relate them to the extent of local district participation, the nature of the services to be provided, incentive features, and the extent of equalization provided. Recommendations are presented based on a consideration of the four models, a review of regional financing practices in other states, and consultation with Connecticut educators. A three-tier financing system is suggested. (Author/IRT)

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FINANCING CONNECTICUT'S REGIONAL SERVICE CENTERS

State Advisory Committee to the Study of
Educational Service Centers

Professor Thomas H. Jones
Department of Educational
Administration
University of Connecticut
Storrs, Connecticut 06268

EA 009 105

TABLE OF CONTENTS

CHAPTER		Page
I	FINANCIAL ALTERNATIVES FOR CONNECTICUT'S REGIONAL EDUCATIONAL SERVICE CENTERS	1
II	RECOMMENDATIONS FOR FINANCING CONNECICUT'S REGIONAL SERVICE CENTERS	9
BIBLIOGRAPHY		24
APPENDIX		26

CHAPTER I

FINANCIAL ALTERNATIVES FOR CONNECTICUT'S REGIONAL EDUCATIONAL SERVICE CENTERS

The existence of educational organizations between the state and the local school district is by no means a new phenomenon in the United States. In the nineteenth century regional educational agencies existed primarily to regulate local school district practices. Regional agencies in various states performed the following functions: licensing teachers, supervising instruction, designing curriculum, training teachers through in-service programs, advising administrators, surveying school plant and buildings, and providing opinions to local school boards. These variously named regional, county, or intermediate units were, in effect, arms of the state.

The early governance and finance structure of regional education agencies often inhibited their control function. County boardsof education frequently were composed of representatives of component local school districts. The county superintendent's office was financed through a mill levy set by the county board. Politically and financially, then, county superintendents were at the mercy of those whom they were supposed to regulate and monitor.

During most of the twentieth century regional education agencies were viewed as being obsolescent. Improved communication

and transportation systems enabled state education departments to perform more of the service and control function. States had at least the potential to provide strong financial support for education; regions had no such potential. Finally, there was a major move towards school district consolidation. While there is no incompatability between regionalism and consolidation, the latter certainly was the focus of attention. The post World War II period witnessed the decline and in some states abolition of county superintendencies.

Title III of the 1965 Elementary and Secondary Education Act probably did more to revive and revitalize the regional education concept than any single piece of legislation before or since. Through Title III, supplementary education centers and services were established to provide those educational offerings which local districts could not on their own be expected to provide. These centers form one basis for the network of regional service centers (RSCs) presently found in Connecticut and other states.

Unique Problems of Regional Service Centers (RSC) Finance

In the past few decades the guiding idea behind regional educational arrangements has changed from one of regulating and controlling the activities of local school districts to one of providing specialized services which local districts could not undertake on their own. This change has the following implications for finance.

1. The Method of Financing-Funding Flow

Throughout the United States there are essentially four methods by which RSCs receive funds. Funds may come from local school districts' own tax sources, regional taxing authorities, higher levels of government - both federal and state, and in categorical grants from the state through local school districts. Each of these four models is shown in Figure I. The four models are not mutually exclusive; each state and RSC may employ several simultaneously. (See Appendix).

The funding flow in turn, has an impact upon the activities and the nature of the state education system as a whole.

2. Extent of Local District Participation

Will all local school districts use RSC services, or will some districts not participate?

3. The Nature of the Services to be Provided

Will the level and range of services provided by the RSCs to local districts be the same in every district, or will certain types and amounts of service be provided for some districts and not for others?

4. Incentive Features

Should financing procedures encourage the existence of RSCs? Should they encourage regional provision of services or should they be neutral as between local provision and regional provision?

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4 MODELS OF RSC SUPPORT

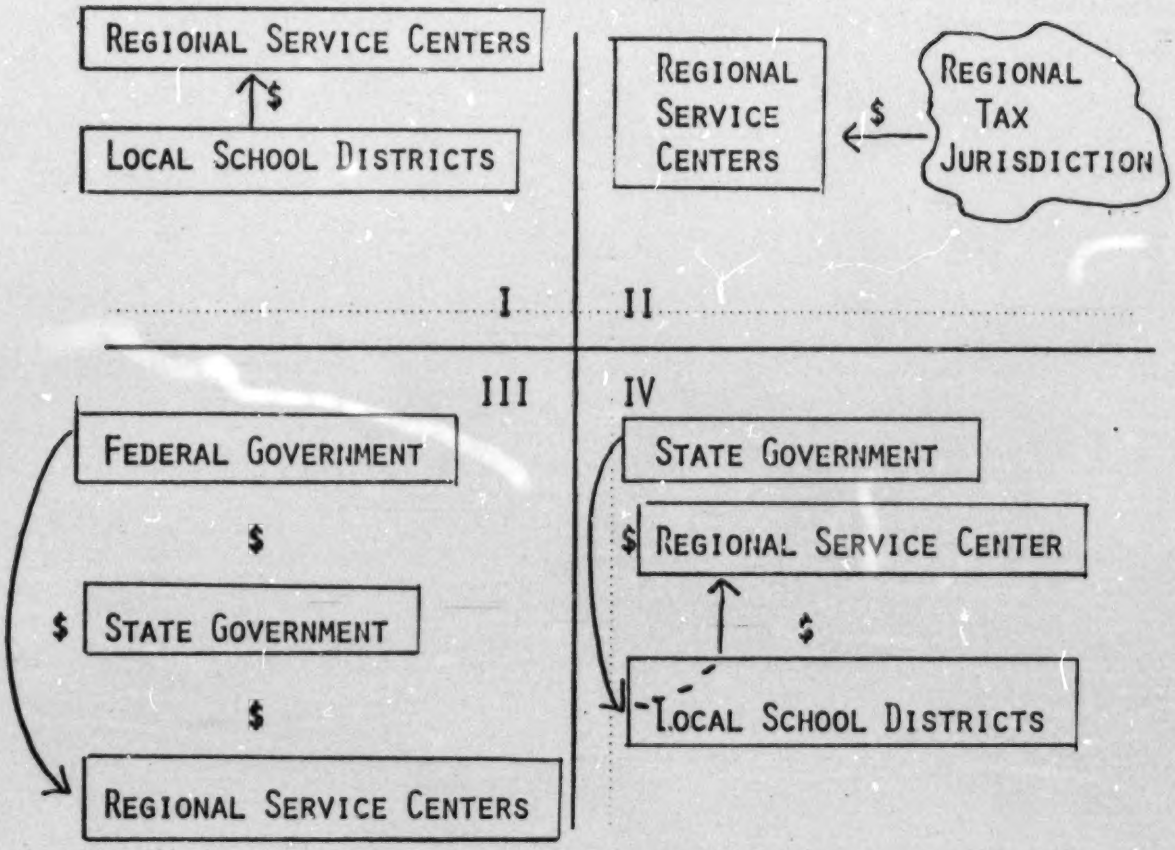


FIGURE I

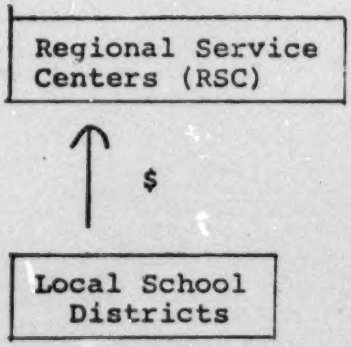
THOMAS H. JONES
RSC - 1

5. Extent of Equalization Provided

Does financing of RSCs have a role to play in reducing the current inequalities among local districts in their tax bases and expenditure levels?

Each of the four funding modes in Figure I is discussed below in terms of these considerations.

Model I



Financing procedure - each local town levies taxes. At the local board's discretion some of those taxes are used for purchase of services from the RSC.

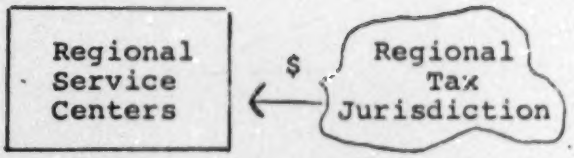
extent of local participation - voluntary at local option.

services provided - variable, depending on what local districts want and what each RSC is willing to provide.

incentive features - The presumption is in favor of local school district's own service. Only when two or more local districts can agree on the same service will it be financed regionally.

extent of equalization - None. Wealthy towns have the capability to buy more services than poor towns.

Model II



financing procedure - A county or other multi-district region levies a uniform property tax at a specified mill rate.

Rich districts contribute more than poor districts to the RSC. But each component district receives an equal amount of services per pupil from the RSC.

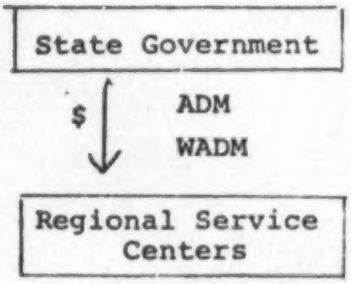
extent of local participation - Uniform region wide.

services provided - those set in statutes or agreed to by the participating component districts.

incentive features - Component districts will be effectively precluded from performing those services which are provided by the region since the people of component districts are financing those already through regional taxes. Component districts will accept service from the RSC since those services are "free".

extent of equalization - Intra-regional equalization will occur since wealthy districts within each region will pay more tax than poor towns but all districts will get the same service. No inter-regional equalization.

Model III



financing procedure - The state funds specified programs in all of its RSCs. Funding is a fixed number of dollars of per pupil and is based upon the number of (weighted) pupils, (W)ADM, in each of the regions. Regions then distribute services equally to each of the component districts based upon ADM or WADM.

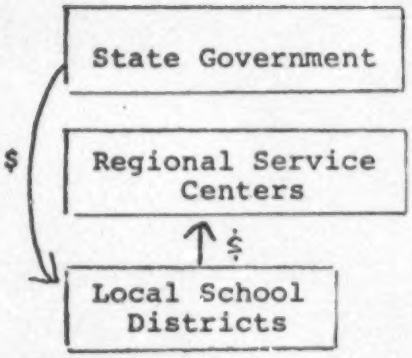
extent of local participation - every local district participants since specified services are free.

services provided - under this model the RSC provides only those services specified by the state. Statutes may allow local component districts to buy at their own expense additional services from their RSC.

incentive features - local districts or private firms will not undertake the services the state provides, since state provision is free. Whereas local districts will accept free services which they otherwise might not buy.

extent of equalization - inter-regional equalization; no intra-regional equalization since state funding is based upon the average wealth (and tax effort) of the component districts within each region.

Model IV



financing procedure - the state defrays all or part of local costs for buying specified services at RSCs. This is a categorical grant. The percentage of the cost bourne by the state varies according to the fiscal capacity of the local school district, with the state bearing more of the cost in poorer districts.

extent of local participation - local districts which receive state funding will tend to participate si . a percentage of the cost is defrayed. Districts which have a greater desire for RSC services or which receive a bigger state payment will tend to participate most.

services provided - the types and amounts of RSC service are locally determined. The state, however, can exercise some control by refusing to fund "disallowed" services.

incentive features - local districts have some incentive to buy regionally if the proportion of the cost defrayed by the state through regional purchase is greater than the portion of the cost defrayed through local purchase. RSC have an incentive to serve local needs since otherwise local districts will not buy.

extent of equalization - both inter and intra-regional equalization takes place. High need districts receive the most funding (this produces inter-district equalization) and those RSCs with the most high need districts receive the largest grants.

All models have been used successfully throughout the country. Three of the four exist in Connecticut today.

CHAPTER II

RECOMMENDATIONS FOR FINANCING CONNECTICUT'S REGIONAL SERVICE CENTERS

The recommendations below are tentative rather than definitive, and are meant to provide a basis for discussion. These recommendations represent my own thinking based upon a consideration of the four models above, a review of regional financing practices in other states, and consultations with Connecticut educators.

Specific Recommendations for Financing RSCs

RSC's are multi-purpose, multi-service agencies. This suggests that the financing system necessarily should embody different bases of support and should rely on all levels of government to some extent. A three tier financing system is suggested here.

1. There should be a uniform state grant to each RSC for its basic operation. The grant should provide enough funds so that the region has the potential to develop programs for component towns and school districts. The actual cost of most program development and program execution should come from other funds.

It is expected that this grant would provide enough funds to cover the costs of renting a small office and paying the salaries of one or two professionals and one or two secretaries or clerks.

2. There should be a grant to towns for RSC services where part (A) would be based upon the present G.T.B. grant and part (B) would also be based on the G.T.B. grant formula modified to reward local tax effort in supporting RSCs.

A. Under part (A) each town's grant would bear the same ratio to the states total part A grant as that town's grant does to the G.T.B. aid formula. The G.T.B. formula appears in Figure 2.

Example

Town	% of State-wide ADM	% of State-wide G.T.B. monies allocated to town	% of State-wide Part A grant to the town
1	1%	.7%	.7%
2	.5%	1%	1%
3	2%	1.3%	1.3%

This would assure that some towns receive more RSC services than others based upon their relative educational needs. Towns with greater needs as defined by the G.T.B. formula would receive more funds.

(B) Under Part (B) each town's grant would be of the variable ratio type matched to the effort each town makes in supporting RSCs.

$$A_{i_{RSCB}} = TR_{1_{RSC}} \left[\left(CPV_{85} \frac{MFI_{85}}{SMFI} \right) - \left(CPV_i \frac{MFI_i}{SMFI} \right) \right] POP_i$$

where

$A_{i_{RSCB}}$ = State aid to the ith town under part three B of the RSC funding formula

$TR_{i_{RSC}}$ = The tax rate levied by town i to buy RSC services. (Local revenues to RSC's as a percentage of the town's grant list).

Definitions of calculated property values, family incomes and populations would be determined as they are in 2 (A) above. The definitions of the terms appears in Figure 2.

Figure 2

Calculation of the Dollar G.T.B. Grant to Town x

$$\$GTB_x = STR_x \left(\left[CPV_{85} \quad \frac{MFY_{85}}{SMFY} \right] - \left[CPV_x \quad \frac{MFY_x}{SMFY} \right] \right) POP_x$$

STR = School Tax Rate = dividing the net current local educational revenues of the town by its calculated property value

CPV = Calculated Property Value = divide the grand list by the assessment ratio to bring all towns to 100% valuation; then update for the last year of the towns revaluation; then divide by the town's population.

MFY = Median Family Income = A town's median family income as determined by the 1970 census.

SMFY= State Median Family Income = $11,811 in 1970.

POP = The population from the 1970 census

x = The particular town receiving the grant

85 = The town at the 85th percentile among all towns in the state in terms of ability to pay.

Updating for the last year of revaluatio

After towns' grand list have been adjusted to 100% of market value they are further "equalized" on the principle of compound interest for their last date of property revaluatio

Grand lists for each town within each county are multiplied by the following annual increments: Fairfiel 8%; Hartford, Litchfield, Middlesex, and New Haven, 5%; New London, Tolland and Windham, 3.5%.

Calculating ability to pay

This is the combined index of towns' income and property value.

All towns are ranked 1 to 169 according to the index. Towns ranked above the 85% receive no GTB aid (the 25 wealthiest towns in the state).

Thomas H. Jones and
Ted Sergi, 1976

12

Under the general G.T.B. formula as it is presently written the wealthiest fifteen percent of all Connecticut towns receive no funding. Likewise these same towns would receive no funding under provision number 2(A) and 2 (B) of the RSC financing system. These wealthy towns would be eligible to fund RSCs under part three of the proposed system, negotiated grants.

It is recommended that the bulk of state RSC monies be distributed under provisions 2(A).

Because of the fiscally dependent nature of Connecticut school districts, it is recommended that the grant funds under both 2(A) and 2(B) be held by the State Education Agency in separate accounts for each town/school district. Whenever local education agencies purchased regional services, funds would be transferred directly by the state to the appropriate RSC.

3. <u>There should be provision for several types of discretionary grants not based on formula funding</u>.

Negotiated discretionary grants provide opportunities for RSCs to receive funding outside the requirements of a formula system. This has several advantages and disadvantages. (See supporting rationale below).

Three distinct discretionary funding mechanisms are envisioned here: federal government funds to RSCs, state government funds to RSCs and local government funds to RSCs.

With respect to state and federal projects, procedures followed necessarily would have to agree with the specific procedure outlined by the particular agency for the project to be funded. The situation with respect to locally financed RSC services is somewhat more complex.

The wealthiest 15% of all towns would fund RSCs in the same manner that all 159 towns do at the present time. They would buy whatever services they wished with no additional state aid. (Some money would, however, have been given to RSCs on behalf of these towns under part 1 of the proposed financing system).

The remaining 144 towns in the state would receive state financial assistance in paying for RSC services. Under provision 2 monies for RSC services would flow automatically to the towns <u>if they spent that money at RSCs</u>. It is anticipated that towns would fully use this money since it buys what are for them essentially free services.

Under provision 2(B) towns would be required to match state dollars for RSC services under a variable ratio basis. For example, a fairly well to do town might be reimbursed ten cents for every dollar it spends at an RSC; a very poor town might get 90 cents for every dollar it spends at an RSC.

If provisions 2(A) and 2(B) of these recommendations are funded only partially, the 144 towns should be permitted to fund RSCs as they do now, on a non-reimbursable and non-matching basis.

4. RSCs should be given broad latitude to find and employ the least expense means of providing quality services. There should be provision for periodic review of RSCs financial practices by local state and private agencies.

RSCs currently have authority to own or lease all types of property, plant and equipment. They have authority to contract with private industry for the provision of specified non-instructional services, e.g., transportation, food service, building maintenance. Both short and long term contracts should be permitted. Contracts should be let on the basis of competitive bids.

Periodic state review of the RSC finances should continue. The financial records should be available to all citizens on a reasonable basis. When a private firm or public employee organization believes it can provide a specific non-instructional service less expensively than the current provider, the firm or organization should submit a contract proposal to the RSC which explains in detail the costs and the nature of the service they propose to provide.

The RSC should be required to respond in writing to any firm contract proposal. A state appeals procedure should be established to resolve any disagreement between an RSC and a potential contractor.

NOTE: None of the recommendations above are intended to apply to special education, transportation, or other services RSCs might provide now or in the future when those services are financed under separate provisions of state/federal funding formulas. Each of these specialized funding formulas would require a separate review which is beyond the scope of this paper.

Supporting Rationale for these Recommendations

The recommendations above can be evaluated in terms of the five characteristics of financing plans discussed in the first chapter of this paper. Those five characteristics are: method of financing-funding flow, extent of local district participation, the nature of services to be provided, incentive features, and extent of equalization provided.

1. Method of financing-funding flow.

The recommendations above employ three of the four financial models found throughout the United States as a whole, the three currently used in Connecticut. This seems necessary and desirable based upon the multiple purposes of RSCs: an intermediate step between states and localities. The assumption is that localities should fund those services which meet their objectives and the state should fund the services which meet its. By matching the particular funding agency with the particular educational objective, there is a likelihood that RSCs can retain their responsiveness and flexibility.

2. Extent of local district participation

Provision one under the three tier funding system assures that all localities would have access to RSCs on a permanent basis. However, not all districts are assured of participation. The wealthiest 15% of all towns would receive no state aid for purchase of RSC services. Their participation would depend purely on local initiative (as is the case for all districts now). Provisions 2(A) and 2(B) of the recommendations above virtually assure that the remaining 144 towns in the state will utilize RSCs since they receive state funds for doing so.

In sum, these recommendations do not require participation but they do make participation financially attractive for most town localities and they assure RSC availability on a permanent basis to all localities.

3. Nature of services to be provided

The system recommended here would insure that both the state and localities would have substantial financial control over the services to be provided. The state would have negotiated grants as its major vehicle to assure state purposes were carried out. The limited number of RSCs in Connecticut assures that the state can draw specific contracts with each one and employ appropriate oversight procedures.

Provisions 2(A) and (B) of the recommendations would provide most localities more leeway than they have now to buy the kinds and quantities of RSC services they want. The State G.T.B./R.S.C. funds could be used for any purpose agreed upon

mutually by localities and the RSC. Localities would be free to buy additional RSC services above and beyond the state formula.

This would mean that different localities would buy different types and amounts of regional service. The mix might not be the same for any two towns. Each RSC would be financially encouraged to respond to the unique needs of component towns in its region. But where the state wished to mandate certain activities in every locality it could do so through a negotiated grant.

4. Incentive features

There are major incentive features of the plan recommended here. The first of these is the financial presumption in favor of RSCs. Each of the plan's three provisions earmarks funds for RSCs and their services. Inevitably this means that RSCs will get some monies that other organizations might have gotten in the absence of earmarking. Then earmarking may be particularly questionable under provisions 2(A) and (B) above.

Parts 2(A) and (B) of the recommendation are the equalizing portion. They are categorical in nature and base the size of the state's grant to each locality on two factors: (1) its fiscal capacity and (2) its tax effort. The state grant is inversely related to the former and directly related to the latter.

The only difference between (A) and (B) is the measure of tax effort employed. Under (A) the state's aid is based upon

total local tax rate levied to support schools. Under (B) aid is based solely upon that portion of the local tax rate levied to support RSC services.*

Provisions 2(A) and (B) might divert G.T.B. monies from general use to RSC support. The earmarking (categorical grant) provisions of the formula would add a new dimension of complexity to the public's understanding. The nature of the formula is such that the neediest localities would have a greater financial incentive for using RSC services than less needy localities.

Whether these are desirable features is an open question. In this study the presumption was that specific financial support for RSCs is desirable. The question was not "whether" to finance RSCs, but "how" to do it.

However, in response to the specific considerations raised above, it is, first of all, not certain that G.T.B. monies for RSC support would come at the expense of general G.T.B. funds. RSCs may be politically popular enough to generate more total dollars for education rather than to redivide the existing funds.

Secondly, the added complexity of a new G.T.B/R.S.C. formula is a drawback. But this drawback would have to be weighed against other considerations. Any new method of

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* To avoid double counting that portion of total local school tax rate going to support RSCs should be deducted from portion 2(A).

financing RSCs would be complex. The G.T.B. has the advantage of already being in place. It might well be clearer to the general public than a wholly new financing system devised specifically for RSCs.

The third consideration is that recommendations 2(A) and (B) aid some localities more than others in the purchase of regional services. This may or may not be fair depending on one's view. Formulas are, by their nature, operational definitions of relative need. Inevitably they differentiate among recipients in measuring the extent of need. The specific recommendation here is to tie regional funding to the general aid funding formula, the G.T.B. or whatever eventually replaces the G.T.B. The rationale for this recommendation is that it is difficult to define ways in which localities are more (or less) needy for regional services than they are for local services. It seems reasonable that definitions of need be the same for both.

Creating a substantially different formula would provide specific financial incentives for local districts to favor one method of service provision over the other. If town A got more state aid for regional services and less aid for local services, it would tend to buy regionally. If town B got more state aid for local services than for regional services, it would tend to rely on local provision. States which use two substantially different formulas for local versus regional services tend to develop a similar characteristic: the method of financing

determines which education agency will provide the service. The basis for these recommendations is that the nature of the service itself rather than financing provisions should determine service provider.

It should be stated, however, that almost no financing system is entirely without incentive features. The system recommended here is not an exception; it does insure that most towns in the state will use RSCs since services will be subsidized. For this reason the efficiency provisions under part 4 of the recommendations are important. Many of these provisions are already in place. They should be continued and expanded where applicable, since relaxing or removing them could mean that the state and its localities pay more for services than they should.

Finally part 2(B) of the recommendations provides a specific financial incentive to use regional rather than local services. To the extent that the state wishes to foster RSC use it should fund this portion of the formula generously with the appropriate deduction from part 2(A) of the formula. To the extent it does not want to provide such incentives, it should provide little or no funding under 2(B).

5. Extent of equalization provided

An initial question that might arise is whether RSCs have any role to play in equalization. The Horton v. Meskill decision has overturned Connecticut's school financing system, one based

largely on a flat grant per enrolled pupil. It would seem prudent therefore to consider the recent court ruling in designing a financial system for RSC support. Recommendations which did not include strong equalization provisions might not withstand a judicial test.

Initially it appeared that there were two methods of achieving equalization through RSCs: (1) direct state funding of RSCs based on regional variations in fiscal capacity/tax effort. and (2) state categorical grants to towns for RSC support based on local variations in capacity and effort. Categorical grants to towns were suggested under parts 2(A) and (B) of the recommendations.

A review of recent court decisions suggested that (1) is not legally prudent. The courts have focused on local inequalities not regional inequalities. Even poor regions may contain one or two wealthy localities. If funding were based on regional rather than local walth, such towns might reap windfalls. In sum, there is no evidence to suggest that any RSC financing system can - by itself - satisfy the courts that Connecticut is making sufficient progress toward equalization. On the other hand, any financing arrangement which does not take into account the equalization might be illegal. The legally acceptable way to foster equalization is through aid to towns. And for reasons above, this implies the G.T.B. or whatever replaces it.

The recommendations above provide only an outline plan. They are, however, more specific than previous recommendations. They are put forward in the hope of encouraging further discussion respecting the goals and responsibilities of Connecticut's Regional Educational Service Centers, and of the various education agencies to which these centers relate.

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APPENDIX

SUMMARY OF STATE PLANS FOR THE FINANCING OF INTERMEDIATE SCHOOL DISTRICTS

The following information was compiled from Thomas L. Johns and Janet Foerster's, Public School Finance Programs, 1971-72. Washington: U.S. Office of Education, 1972. Programs reported were those in effect during the early 1970's. The several newer programs for financing intermediate school districts are not reported here. They will be available soon in a later publication.

The authors caution that, for a variety of reasons, the information reported in the publication may not be complete for every individual state. The information recorded below records information for the financing of the county superintendencies as well as for intermediate school districts since many states are in a period of transition from the older to the newer form of regional arrangement.

In the following descriptions the term "intermediate school district" replaces regional service center since the former is much more common throughout the country as a whole.

Alabama	Counties must levy at least four mills on property. Counties may levy an additional tax on property, sales or gasoline for specific school purposes.
Alaska	No financial plan for intermediate units.
Arizona	Each county must raise $18.50 per pupil per year. The state dedicates revenues from other specific taxes and trusts to finance a share of intermediate district costs.
Arkansas	There are no county-wide taxes for schools. However counties vote a small fund to support a supervisor's office.
California	The state sets a specific sum of money annually to support county-wide school services. County superintendents receive grants based upon budgets presented to the state superintendent's office. Counties supplement the state grant from their own revenus.
Colorado	No financial plan.
Connecticut	No financial plan.
Delaware	No financial plan.
Florida	No financial plan.
Georgia	This state has a multi-purpose grant-in-aid program. One program funds educational services across local school districts.

Hawaii	This state fully funds and operates its schools centrally at the state level. There are seven districts within the Islands which have purely administrative (and no taxing) functions. The State Education Department allocates funds to the administrative districts based on: ADM modified for variations in pupil needs and based on negotiations between the state department and the seven regional superintendents.
Idaho	Each county levies an 8 mill tax for support of intermediate school districts.
Illinois	No financial plan.
Indiana	No financial plan.
Iowa	A tax of 1/4 to 3/4 mill may be levied by each county's board of supervisors. Also the county board of education may levy additional taxes for operation of the county superintendent's office.
Kansas	Counties are authorized to levy a ten mill tax for distribution to local school districts within the county. Distribution is made on a per pupil and per teacher basis. The tax does not finance a county superintendent's office.
Kentucky	No financial plan.
Louisiana	No financial plan.
Maine	The state has a program for regional vocational-technical centers. About 2/3 of the local costs in such centers are borne by the state.

Maryland	No financial plan.
Massachusetts	No financial plan.
Michigan	The state pays a percentage of intermediate districts' approved budget equal to the percentage of the constituent districts' total expenditures for operating purposes supplied by the state divided by 2. The state pays each intermediate district an additional $3,500 if the county is included in an annexation or consolidation. Counties may levy an additional 15 mill tax to support programs for the handicapped.
Minnesota	No financial plan.
Mississippi	Each country is required to levy a tax averaging 10.5 mills, higher in wealthier counties lower in poorer counties. This amount is then distributed to the local education agency(ies) in the county. The state contributes funds to counties from severance tax revenues.
Missouri	No financial plan.
Montana	No financial plan.
Nebraska	County-wide taxes may be levied for high schools without limit on voter approval on property which is not located in a high school district.

Nevada	No financial plan.
New Hampshire	No financial plan.
New Jersey	Local property taxes are the only intermediate district revenue sources. New Jersey does have county superintendents.
New Mexico	In certain cases counties may levy up to 15 mills for school purposes. In addition, counties distribute funds from federal forrest lands and motor vehicle license taxes. Funds are distributed to school districts within each county based on each district's weighted average daily membership.
New York	The state grants categorical aid to local districts participating in Board of Cooperative Educational Services (BOCES) programs. These funds may only be spent on BOCES programs. The state allows each district two methods to compute their BOCES state aid entitlements. Local districts choose the method which is most advantageous for them. Using the first method, each district's share in an amount which is in the same proportion to that district's total approved BOCES cost as a tax of 6 mills is to that districts total school tax rate. Using the second method, districts compute their aid ratio under the general aid portion of the formula. This ratio becomes the

state's share. Most aid is distributed under the first method.

State/federal funds flow directly to BOCES to support administrative costs. BOCES may also acquire or construct buildings where the costs of such buildings are partially reimbursable through local districts state aid.

North Carolina — No financial plan.

North Dakota — No financial plan.

Ohio — A few counties distribute small amounts of money to local school districts from their Undivided Classified Property Tax Fund.

Oklahoma — Counties levy a 4 mill tax on all taxable property. Proceeds are apportioned to local districts on the basis of their average daily attendance.

Oregon — Intermediate school districts have wide discretionary powers to tax for schools if citizens approve. They may levy taxes to support specific services; in addition, they may levy region-wide sufficient taxes to defray up to 50% of the operating costs of component districts. These funds are distributed according to ADM. Twenty-five intermediate districts are included in this plan.

Four other intermediate school districts serve as tax levying and service agencies. But they distribute funds to local school districts on the basis of the revenue collected from each local district rather than on the basis of ADM.

Pennsylvania	The state fully funds the costs of seven specific services. Local districts may buy additional services from intermeciate districts but they receive no additional state funds. State aid to intermediate units is based on average daily membership weighted by the wealth and local tax effort of component local districts.
Rhode Island	No financial plan.
South Carolina	A state fund pays $7,400 towards the salary of each county superintendent. In addition, most counties have local legislation for a county school tax.
South Dakota	At the county level, there are two sources of revenue for schools: a poll tax of $1.00 per elector plus revenues from fines.
Tennessee	Counties levy property and other taxes in support of their schools.
Texas	Some counties may levy an equalization tax of up to 2.5 mills. Revenue is then distributed to component districts on the basis of ADM.
Utah	The state distributes a flat grant to each of 4 intermediate school districts. Component local districts may use their own funds to purchase additional services.
Vermont	No financial plan.

Virginia	No financial plan.
Washington	State aid county taxes support an intermediate superintendent's office. A county-wide real estate transfer tax is distributed annually to each component district based on its ADM.
West Virginia	No financial plan.
Wisconsin	Counties must levy a tax to produce $350 per for qualifying component districts.
Wyoming	Counties are empowered to levy up to 3 mills for current operation.